

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

In re:  
THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.<sup>1</sup>

PROMESA  
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**NOTICE OF CORRESPONDENCE REGARDING THE THREE HUNDRED SIXTY-  
SECOND OMNIBUS OBJECTION (SUBSTANTIVE) OF THE COMMONWEALTH OF  
PUERTO RICO, THE PUERTO RICO HIGHWAYS AND TRANSPORTATION  
AUTHORITY, AND THE EMPLOYEES RETIREMENT SYSTEM OF THE  
GOVERNMENT OF THE COMMONWEALTH OF PUERTO RICO TO  
MISCLASSIFIED CLAIMS**

To the Honorable United States District Judge Laura Taylor Swain:

1. On August 20, 2021, the Commonwealth of Puerto Rico (the “Commonwealth”), the Puerto Rico Highways and Transportation Authority (“HTA”), and the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS,” and together with the Commonwealth and HTA, the “Debtors”), by and through the Financial Oversight and

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA” and together with the Commonwealth, COFINA, HTA, and ERS, the “Debtors”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Management Board for Puerto Rico (the “Oversight Board”), as the sole Title III representative of the Debtors pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),<sup>2</sup> filed the *Three Hundred Sixty-Second Omnibus Objection (Substantive) of the Commonwealth of Puerto Rico, the Puerto Rico Highways and Transportation Authority, and the Employees Retirement System of the Government of the Commonwealth of Puerto Rico to Misclassified Claims* [ECF No. 17927] (the “Three Hundred Sixty-Second Omnibus Objection”) to various proofs of claim.

2. The Three Hundred Sixty-Second Omnibus Objection seeks to reclassify claims that incorrectly or improperly assert that they are secured or entitled to administrative expense priority pursuant to 11 U.S.C. § 503(b)(9), as set forth in Exhibit A thereto (collectively, the “Claims to Be Reclassified”). Upon a reasonable review of the Claims to Be Reclassified and the Debtors’ books and records, the Debtors have concluded that the Claims to Be Reclassified are not secured and/or not entitled to administrative expense priority and should appropriately be classified as general unsecured claims.

3. The Debtors have received the attached correspondence from Jesus Soto Toledo (“Soto Toledo”), a copy of which is attached hereto as Exhibit “A” (the “Soto Toledo Response”), regarding Proof of Claim No. 15762 (the “Soto Toledo Claim”). A certified translation of the Soto Toledo Response is attached hereto as Exhibit “A-1”.

4. The Soto Toledo Claim asserts liabilities in an unspecified amount that purportedly arise from accrued but unpaid wages. The Soto Toledo Claim asserts that it is both secured and entitled to administrative priority pursuant to 11 U.S.C. § 503(b)(9). As set forth in the Three Hundred Sixty-Second Omnibus Objection, only creditors who sold goods to the Debtors within

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<sup>2</sup> PROMESA is codified at 48 U.S.C. §§ 2101-2241.

twenty (20) days of commencement of the Debtors' Title III Cases<sup>3</sup> are entitled to administrative priority pursuant to 11 U.S.C. § 503(b)(9).

5. The Soto Toledo Response, a Spanish-language letter, was received by Prime Clerk on September 29, 2021. Therein, Soto Toledo does not allege that he sold goods to the Commonwealth within the statutorily prescribed time frame. Likewise, the Soto Toledo Response does not assert any other basis entitling the Soto Toledo Claim to administrative expense priority or secured status. Instead, the Soto Toledo Response states that, "in this case I worked for the Correctional Administration and made a claim for a lawsuit that was won and the funds were appropriated . . . [but] the monies were returned to the general fund . . . the adm. priority does not correspond to what I did appeal." Soto Toledo Response at 1.

6. The Three Hundred Sixty-Second Omnibus Objection seeks only to reclassify the Soto Toledo Claim as a general unsecured claim, because the Soto Toledo Claim incorrectly asserts entitlement to administrative expense priority pursuant to 11 U.S.C. § 503(b)(9) and secured status. It does not purport to address the merits of the proceedings underlying the Soto Toledo Claim. The Soto Toledo Response does not dispute that the Soto Toledo Claim is not entitled to administrative expense priority or secured status. Accordingly, the Soto Toledo Claim should be reclassified as a general unsecured claim. The Debtors reserve the right to object to the Soto Toledo Claim on any other basis whatsoever.

7. For the foregoing reasons, the Debtors respectfully request that the Court grant the Three Hundred Sixty-Second Omnibus Objection and reclassify the Soto Toledo Claim as a general unsecured claim, notwithstanding the Soto Toledo Response.

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<sup>3</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Three Hundred Sixty-Second Omnibus Objection.

Dated: January 5, 2022  
San Juan, Puerto Rico

Respectfully submitted,

/s/ Hermann D. Bauer

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